

**MINUTES OF THE REGULAR MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
August 18 & 19, 2004**

The regular meeting of the Washington State Transportation Commission was called to order at 9:00 a.m., on August 18 & 19, 2004 in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present at the meeting were: Chair Stedman, Ed Barnes, Ruth Fisher, Richard Ford, Elmira Forner, A. Michèle Maher, Dan O'Neal.

APPROVAL OF MINUTES

Approval of Commission meeting minutes for May 26, 2004.

It was moved by Commissioner Barnes, and seconded by Commissioner Maher to approve meeting minutes for May 26, 2004. The motion passed unanimously.

SECRETARY'S REPORT

Doug MacDonald, Secretary, WSDOT, mentioned the importance of DOT communicating to the public what is going on around the state. Secretary MacDonald then presented a brief overview regarding the current mudslide situation on Highway 20.

Secretary MacDonald briefed the Commission on the Sound Transit Program largely funded by Sound Transit and in part by WSDOT. The Department is the construction agent for this Sound Transit Project. The project links the Federal Way Park & Ride with the Transit Center at 320th. A new bridge will span I-5, ramps will come up and down from the bridge allowing buses to enter and exit Interstate 5 without general traffic congestion. Thus, enormously improving operation of traffic through Federal way and bring the full effectiveness to the HOV extension achieved last year at 320th. A public information campaign including radio will be set up to daily inform the public of the features and benefits within the project as well as inform the public of delays. The projected closing date is the end of next summer. Secretary MacDonald addressed a few other projects, including striping and marking I-5 more effectively and the concerns being addressed currently by the Department with striping issues.

Commissioners requested a briefing on the broken cable issue on the Hood Canal Bridge. Harvey Coffman, Bridge Preservation Engineer, provided Secretary MacDonald with material explaining the operational impact, pointing out that the location of the break made it necessary to fix the cable by a remote operated vehicle, spanning the course of about 2-3

weeks. John Conrad, Assistant Secretary for Engineering and Regional Operations, updated the Commission regarding the Hood Canal Graving dock site in Port Angeles. He reviewed construction, archeological progress and efforts being made by WSDOT and other parties involved. Mr. Conrad indicated the Tribe's biggest concern is recovering the remains before moving forward on this project. The Department is working towards defining the location of the cemetery's boundaries and attempting to work out additional exploration, assuring the area is cleared. Mr. Conrad mentioned a conference call including the Tribe, the Department, Federal Highway Administration, the Preservation Office, the Attorney Generals Office, commenting a real team effort is being made with this archeological dig. Commissioner O'Neal pointed out that relationships between the parties are good.

Secretary MacDonald gave a brief overview of the opening of the Elk Heights Truck Climbing Lane Project on I-90. It is the largest Nickel project to be completed to date and was recognized by the local community as an important project for I-90 as a whole. This project not only helps freight arrive on time, it also adds a tremendous amount of safety for passenger vehicles.

Secretary MacDonald recognized Linda Mullen, Director, Communications Office, for awards received at the National Transportation Public Affairs conference in Denver. Awards were presented for two WSDOT website projects including the Hood Canal Graving Dock Communications Plan and the Tacoma Narrows History Website. Linda Mullen recognized team members who worked hard to bring those websites to fruition.

Secretary MacDonald reviewed the work of the Transportation Performance Accountability Board (TPAB). The Commission's Audit Review Committee (ARC) would like to meet with TPAB to coordinate efforts so the ARC is working on the Performance Auditing in a way that fits into what TPAB is currently doing. Questions arose regarding Commission involvement with performance auditing in the past, Chair Stedman requested Jennifer Ziegler, Administrator, Transportation Commission, compile past information regarding this issue.

Secretary MacDonald moved onto other topics. He mentioned the single most important action the Commission takes is approval of the Budget. Secretary MacDonald is pleased to present the Budget to the Commission. The ongoing work with the Washington Transportation Plan (WTP) is also a large undertaking. Secretary MacDonald expressed interest in feedback from the Commission in regards to public opinion they have been receiving on the WTP process. Commissioners brought forward a few issues, including questions raised about how much money will be spent to implement the WTP. Rail and Ports are concerned about which projects from the WTP will be funded first, and RTPO's are concerned about effects of federal funding without a new Reauthorization Act. Secretary MacDonald stated that no one is expecting federal funding to stop flowing into the state budget under the existing law.

Secretary MacDonald talked about the Gray Notebook and the importance of the Commission and the Department to report on benchmarks enacted by the Legislature in 2001, and monitor those measures, as the statute requires. Program and project delivery on the Nickel package will be reported in the Gray Notebook discussion.

IMPLEMENTATION OF 2003 TRANSIT ASSET MANAGEMENT

Ms. Barb Savary, Transit Safety and Asset Management Specialist, presented the final report seeking approval of the proposed Transit Asset Management Plan. There are 26 transit systems affected by this, 7 large urban, 8 small urban, and 11 rural. Ms. Savary reviewed guiding principals used by the panel and the steps of the program development. The final step in this program, after approval, will be to begin training, technical assistance and certification of the plan. The projected 20-year investment results in a change in the percentage of assets including vehicles, facilities and equipment. Questions arose regarding asset replacement plans, it was noted that transit systems have individual replacement cycles depending on local needs, conditions and funding. Ms. Savary briefly defined how Lowest Life Cycle Cost Methodology applies to Transit. Peter Thein, State Transit Association, expressed the importance of the Asset Management Plan (AMP), especially for the smaller transit systems without existing structures. His concern is that this process does not cost more than the 2% funding received from the State. Most systems already have Preventative Maintenance Plans (PMP); therefore the AMP helps identify specifics within a PMP.

Ms. Savary stated WSDOT is seeking approval of this Final Draft Framework and the Certification process.

Commission members expressed concerns about the value of this standardization and methodology plan compared to the funding received by Transit Systems, the lack of future accountability within the plan, reinventing the wheel when the existing plans transit systems are using might be sufficient, and the amount of time and funding spent by the Department to implement the plan.

Secretary MacDonald suggested that Ms. Giniger and he attend the Public Transit Conference in Yakima and proposed a midcourse correction be considered, as the concerns of the Commission are significant. Secretary MacDonald proposed a plan be constructed to certify existing Preventative Maintenance Plans within the Transit Systems.

Chair Stedman deferred action on this agenda item until September.

PUBLIC AND LEGISLATIVE COMMENT PERIOD

Mr. Ken Attebery, CEO, Port of Bremerton, addressed the Commission to seek assistance with funding for harbor improvements directly related to the ferry wake problems at the Bremerton Marina and Port. A harbor protection system is needed to defend against the surface and sub surface issues from the ferry wake. The Port of Bremerton is requesting a

\$2 million budget from WSDOT to add to their current \$18 million expansion and repair project at the marina and port. The goal is to quiet the harbor in this “Central City” of Kitsap County for visitor boating, dockage of the privately owned foot ferry and commercial vessels.

Commission discussion recognized this proposal as an important issue to consider. Chair Stedman stated that it was not necessary to make a decision immediately and the issue should be considered during the budget discussion.

Ms. Vickie Mercer, Chairman, Vashon Transportation Committee Community Council, expressed community concern regarding statements of plans to close the Fauntleroy dock from the Washington State Ferry System. Citizens of Vashon are very concerned about this possible action. She reported the Community Council has conducted an economic impact study for the Commission to review and consider. A survey is also being conducted in the community to find out whether the public would prefer to commute by ferry or bridge.

GRAY NOTEBOOK PRESENTATION FOR QUARTER ENDING JUNE 30, 2004

Daniela Bremmer, Director of Strategic Assessment, presented the Gray Notebook for the quarter ending June 30, 2004.

Keith Cotton, Information and Performance Analyst, briefed the Commission on the annual update of transportation benchmarks. Mr. Cotton included system condition benchmarks and organizational efficiency benchmarks, briefly describing goals and data collected.

John Conrad, Assistant Secretary for Engineering and Regional Operations, briefed the Commission on Right of Way issues. Mr. Conrad outlined how the process works, how zoning changes effect regulations, and shelved projects that require redesign due to traffic conditions and environmental regulations, thus requiring more right of way and higher costs.

Megan White, Director, Environmental Services, briefed the Commission on two recent Environmental issues. The first issue is management of roadside ditches along with the Corps of Engineers in terms of permitting. WSDOT is working with the Corps of Engineers to standardize information so that the department can predict information necessary for specific project types in order to moderate the impact to costs and scheduling. The second issue is ongoing permit issues with Department of Ecology required for stormwater runoff. The Environmental Department is working with the Department of Ecology to revise the highway runoff manual. WSDOT and the Department of Ecology disagree on how stormwater flow should be regulated and are working towards a resolution.

Mr. Conrad delivered a summary of projects advertised, awarded projects, projects completed and delayed/deferred projects. Of projects advertised, the Engineer’s projections are higher than bids awarded, thus coming in under budget. Commissioner Stedman raised the question, of the 18 advertised projects, is there an even balance with the projects currently under budget. Mr. Conrad stated though the gap is narrowing, some are under and some come

in over. Mr. Conrad began discussion of construction highlights and the most difficult challenges faced during the construction process. SR527 was shut down after the project began due to Environmental permitting issues. Commissioner Stedman asked what happened with agreements with contractors in that situation. Mr. Conrad pointed out that WSDOT is responsible for impacts to the contractors for lost and extended time. Mr. Conrad assured the Commission that it is a difficult decision and is a rare occasion. This shut down is a good example of WSDOT's commitment to these environmental concerns and was not a significant loss. The most difficult challenge with a major project was faced during SR 16 HOV improvements – a delay in a bid opening. One challenge involved an appeal of a private citizen with the Department of Ecology regarding wetland mitigation, and a permit issued by City of Tacoma for wetland mitigation. Options were presented as to how WSDOT would move forward as this appeal process turned out. This has been the most difficult obstacle WSDOT has encountered in regards to delivery of a project.

Mr. Conrad outlined a number of projects and the need for proposed adjustments to the program. These adjustments are all within the authority for the Commission to approve. Commissioner Stedman asked if all the projects outlined are going to affect the Budget Proposal the following day. Mr. Conrad stated that all these proposed adjustments are accounted for within the Budget Proposal. The last group is the pre-existing project funding supported Nickel Projects. Due to low pre-existing funds, WSDOT is asking the commission to approve spending Nickel funding first and delay spending the pre-existing funding portion of the projects. Paula Hammond, Chief of Staff, outlined recommendations regarding two projects included in the recommendation above that are related to the Ferry System. She outlined how WSDOT is suggesting to legislators that Anacortes Multimodal Terminal be lowered by \$2.6 million and that the \$2.6 million be added to the Preservation Program. The Joint Ferry Task Force recognized a need for \$100 million of additional revenue towards Ferry Preservation of which only \$36 million was met by the Nickel funding package.

Commissioner Forner confirmed with Ms. Hammond that this action being requested to delay funding on one project and advance funding with another is within the Commission's authority and that it all matches the pro forma.

Mr. Conrad addressed the Commission regarding endorsing project changes that will be presented for legislative consideration in the Transportation Commission's 05-07 Budget proposal for WSDOT. Highway Construction Programs include the U.S. 2 schedule change to better match up with Pre-existing and Nickel funding, S.R. 99 Alaska Way Viaduct needs an advance of \$28 million in funds to keep this project on schedule for a 2008 construction start, and the Statewide Guardrail Retrofit schedule change needed for highway safety.

Commissioner Maher directed a question to Amy Arnis, Deputy Director, Strategic Planning and Programming, asking if there is a new current economic forecast. Ms. Arnis noted that there will be a new forecast in September, however the current material being reviewed at the Commission meeting is based on the June forecast.

Ms. Hammond outlined a series of passenger rail projects and capital rail improvements that were part of the 2003 Transportation Revenue Package from Legislation with differences in priorities, scheduling and timing. WSDOT is presenting these differences with new recommendations to the Legislature to make adjustments in project timing, scheduling and funding for the 05-07 Transportation Revenue Package. All projects being recommended are aimed at enhancing Amtrak Cascades operations and reducing conflicts with freight and passenger rail. The recommendations will be made to the Legislature in the 05-07 Budget Proposal. Ms. Hammond noted that the projects are comprehensive in nature and are reflected in the budget numbers, which also match up with the pro forma.

Commissioner Stedman asked about outreach with local legislators regarding project changes in local areas. He mentioned the importance of keeping the public and legislators in good communication as projects that were 'promised' are changed.

Ms. Hammond noted that the Department is trying to update legislators with a personal contact from the Department or Regional representatives.

Commissioner Maher pointed out that there should also be a public outreach, as the community would not usually seek this kind of information from local legislators.

Ms. Arnis explained the financial adjustments are consistent with the Budget Proposal this biennium. She reviewed the status of the current Bond Sale Authority within the 03-05 budget including the Nickel package and Multimodal bonds.

Commissioner Stedman requested that Ms. Arnis prepare an information session for the Commissioners to share her knowledge with bonding issues in November. He also requested that she prepare an information session on federal funding to take place in December.

Greg Selstead, Director, Project Control Reporting Office, reported on pre-existing funding projects, covering projects and phasing of projects. Each project has a preliminary engineering right of way phase and a construction phase. He explained the two delivery measures including projects to advertisement and cash flow for the Highway Construction Program.

Mr. Conrad reviewed the construction contract bidding process, comparing bids to engineer's estimates. The total numbers of projects are down from recent years, however larger, higher cost projects are being completed. Total project costs are still coming in lower than engineers estimates, but higher than past years. In regards to completed contract costs, final costs compared to the bids are coming in higher than original bid amounts. Plan reviews are carefully being conducted to minimize plan errors. A high percentage of projects come in below the 10% threshold, however the larger projects have come in over the 10% threshold. The Department will be taking action to help bring those numbers down. Commissioner Forner asked if there were any similar trends with those large projects the Department has noticed. Dave Jones, Assistant Construction Engineer, mentioned the Department has not

come to a conclusion, however are currently looking at material costs. Commissioner Stedman requested that Mr. Jones outline the bidding process. Mr. Jones responded that the project is first developed at a Regional level, bidding occurs through pre-contract awards and advertised publications, and estimates are completed at the Local Project Office in the Regions. Bids are awarded within the low-bid process according to state law, unless there is a declared emergency. If the bid process comes in above the 10% threshold a detailed analysis will be done and a re-bid will occur after the project has been reviewed.

Brian Walsh, Highways and Local Programs, shared results from rumble strip centerline tests. Positive results have come from placing these strips on two lane highways with high crossover statistics. Commissioner Forner expressed concern for bicycle safety. Mr. Walsh explained that the Department met with the Bicycle Alliance of Washington and the Department agreed to structure the rumble strips for bicycle safety, including a three foot zone and breaks in the strip allowing for left turns. Commissioner Barnes commented that Highways 6 and State Route 101 have a lot of crossovers and would benefit from rumble strips. Mr. Walsh commented that he would find out if those routes are in the plans for future construction. Commissioner Stedman inquired about maintenance issues involving snow plow trucks and ice remaining on the road. Mr. Walsh reassured Commissioners that Maintenance and Operations recognize the safety issues involved and are supportive of the rumble strips.

Kirk Fredrickson, Rail Office, reported on performance information of the Amtrak Cascade Services and the Washington Grain Train. There is an overarching theme of on-time performance with train matters. He shared that ridership performances are up this year, Portland to Seattle picking up more riders from the Coast Starlight route, and the Bellingham 513 and 516 are at 97-100% performance. However, when considering all of the eight WSDOT sponsored trains, customer satisfaction is down to 87%. Interference with freight causes long delays and performance to decrease; the Department's projects within Capital Programs are aimed at reducing this impact on Amtrak Cascades Services.

Mr. Fredrickson overviewed Washington D.C.'s Amtrak Strategic Investment Initiative calling out for the need for national passenger rail service and the need for increased federal funding. WSDOT's incremental plan for Amtrak Cascades service is featured in Amtrak's plan. The Seattle to Portland segment achieved Amtrak's highest ranking for readiness for immediate development and federal funding eligibility. This ranking demonstrates federal officials recognition of WSDOT's active participation in Amtrak Cascades planning and service development over the past decade.

Mr. Fredrickson gave an update on the King Street Station renovations; the first phase of the rehabilitation was completed in June. The opening of the expanded waiting room and new restrooms were celebrated with the 75th Anniversary of one of the most famous passenger trains, the Empire Builder. Several elected officials and many local rail fans attended this diamond jubilee event.

Mr. Fredrickson reviewed the quarterly update on the Washington Grain Train. There was an 11% decrease in carloads. This decrease is a direct result of failing to return empty cars to short line railroads in 25 car units, therefore the short line railroads had to delay loading until a full unit was available. WSDOT is working with BNSF and UP to develop a new tracking system to maximize the performance of the Washington Grain Train.

PROPOSED TRANSFER OF SPENDING ALLOCATION

Mr. Selstead, summed up the need for formal action to be taken by the Commission to approve the recommendations for transfer of spending allocation funds. He explained how it fits within the guidelines of the Legislation and the 05-07 Budget Proposal. Mr. Selstad described the requested nickel list adjustments.

It was moved by Commissioner Forner to approve transfer of spending allocation, the motion was seconded by Commissioner Maher. The motion passed unanimously.

WSDOT 2005-07 OPERATING AND CAPITAL BUDGET REQUEST

Paula Hammond, Chief of Staff, introduced the Current Law Budget document, stating the Program levels presented in July now embody the direction given by the Commission and the decisions made to date. She explained that this document gives the Department direction for its Program Managers to implement and build plans for the next biennium. She reviewed a few operating highlights; including the safety goals for Maintenance employees, the fund for the operations of the toll facility for the Tacoma Narrows Bridge and maintenance of the existing bridge, the assessment of the critical needs of the IT systems, anticipated fuel costs and environmental needs for the ferry systems; and funds needed to add a fourth run on the Amtrak Cascades.

Ms. Hammond reviewed the Reconciliation Report for highway construction projects that will accompany the budget to legislature. She mentioned the focus of this report is in the safety area. With better accident data and new data on rumble strips, guardrails and median crossings, the Department is recommending a smaller improvement program for this biennium. Recommendations involve projects the Department views as important that should be placed at a higher priority, while other projects should be delayed or deleted. The Department based project priority on gaining the highest benefit from the minimal safety dollars received. She noted that deleted projects would be reviewed to find lower cost solutions. Commissioner Stedman inquired about the affects on the communities by delaying projects. Ms. Hammond responded that the proposed delays are affecting lower priority requests for signals and potential projects still in design phases. She explained that each year the Department assesses projects and then adjusts the program to accommodate highest priorities first. She explained that the LEAP List adopted by Legislature helps give visibility and clarity to project changes.

Ms. Hammond distributed an updated handout for Proposed 10 Year Adjustments dated August 2004, showing the pro forma in out years. The Department is asking for a concurrence from the Commission for these adjustments. The Department recognizes incoming and existing funding for improvement projects and is suggesting a reduction in the Improvement Funding by \$39 million for 09-11 and shifting those funds to Preservation funding. In following years \$100 million should be shifted in 11-13 and \$78 million should be shifted in 13-15 biennia. By approving this action, the Commission would be encouraging the Department to respond to the desire of the citizens that WSDOT attends to the preservation needs before investing in additional mobility projects. It is the Departments opinion that the funding within Current Law and Nickel accounts is the right amount of funding for safety improvements and perhaps the Legislature should look at funding preservation projects rather than creating new improvement projects. Ms. Hammond mentioned the Department will finalize the Capital Improvement and Preservation Program document after the Commission takes action on this issue. This document is intended to be a user-friendly version of the Program details, including investment proposals and lists of projects.

Commissioner Stedman requested a brief outline of the budget approval process from the Governor's recommendations to the Legislature. Ms. Hammond briefly explained this interactive process between the Department, the Governor and Legislators.

Commissioner Forner asked for the differences between improvement projects and preservation projects. Secretary MacDonald stated the differences are simply, improvement is enhancing or changing an area for safety reasons and preservation projects are maintaining the life of existing structures. These projects usually mesh together, thus understanding the difference can be complicated.

Bill Ford, Chief, Budget Services, presented on the 2005-07 Current Law Budget document, noting the proposal is funded within existing or reasonably assumed resources. Mr. Ford reminded the Commission that the focus of the Current Law Budget is Project and Program Delivery. As Mr. Ford reviewed the Executive Summary, he pointed out a typo that occurred during an electronic transfer, this is a perfect example supporting the need to approve the IT investment proposal within the budget. Secretary MacDonald added that during the recent Amber Alert; the Department had 56 message boards to program individually, a computer crash also occurred while trying to program each board, causing more delay in getting the alert out to the public. With updated technology these boards could be programmed simultaneously. Mr. Ford reviewed the Business Directions and Performance Reporting pages noting that these reports include references to the Gray Notebook and are directly tied to the Budget. Mr. Ford did not brief the Commission on Operating Highlights as Ms. Hammond presented those in her presentation, however he did recognize the new program with the Toll Operations and Management. After quickly outlining the Capital Budget proposal, Commissioner Stedman requested an explanation for the drop in the proposal. Secretary MacDonald pointed out that this significant drop was due to the change in the levels of the Tacoma Narrows Bridge Project. Mr. Ford explained that with both the Operating Programs and the Capital Programs the Resolution numbers will consist of the

same figures as presented, but he would request the ability to change language and typographical errors within the book.

Mr. Ford mentioned to the Commission that after the completed documents are submitted, the Department will begin the Supplemental Budget for 2005. The supplemental budget will be discussed at the next Commission meeting in September and submitted to Office of Financial Management (OFM) the first week of October. The requests within the Supplemental Budget are straightforward and relatively small. Items within the budget include the ferry fuel adjustments, an increase in insurance for ferry systems and an increase in Federal Appropriation Authority.

Commissioner O'Neal requested that the Department recognize the actuality that many of projects on the local programs page are in fact freight mobility projects. Ms. Hammond reminded the Commission that Local Programs is the name of the Program and should not be changed, however she suggested that Freight Mobility be added within the local programs' project description box.

Commissioner Fisher proposed that the Commission decide a course of action to help fit the City of Bremerton's request into the Current Law Budget, suggesting the proposal has a better chance in this biennium. Ms. Hammond mentioned the need for action taken by Commission to fit this into the Ferry's budget. Ms. Hammond introduced Sam Kuntz, Washington State Ferries (WSF). Mr. Kuntz stated that the Ferry's initial reaction to the proposal was that the idea of allocating funding where there is no additional money is a difficult decision especially in an area without previous problems. Commissioner Fisher pointed out this is an ongoing complaint from the Bremerton area needing to be addressed. Mr. Kuntz stated the Terminal Engineers are addressing the issue and preparing a formal response at this time. The focus of WSF has been to turn around the financial aspect of the Ferry Systems; pointing out a lack of \$2 million in funding to put into this project. Commissioner Stedman suggested that WSF give full consideration to this proposal in detail and attempt to find a solution for the breakwater issues. Commissioners requested WSF provide the Commission with information on this subject after further investigation.

Bill Ford handed Commissioners an Errata including changes and attachments for the Financial Plan pages and a copy of the Resolution. Amy Arnis, Deputy Director, Strategic Planning and Programming, began discussion on the Sources and Uses portion of the Current Law Budget by noting the changes addressed in the Errata compared to the book.

She discussed the three major sources of revenue supporting the Department's budget including the gas tax; licenses, permits and fees; and ferry fares. She reviewed pie charts on current gas tax showing the projected level of receipts collected in the amount of \$1.9 million for 05 - 07. She then outlined the accounts those dollars are deposited into. Ms. Arnis recapped the anticipated funding from the additional 5-cent tax, the 15% increase in gross rate fees, and .3 % sales tax on new/used vehicles from the 2003 funding package.

Ms. Arnis addressed the question of; how much of the Gas Tax is dedicated to debt service? She noted the two components involved are: the Nickel package and the State share of the remaining 23-cent portion of the tax. Debt service being paid out of the Nickel account is relatively small, however at the end of the 10 years nearly 100% of the Nickel is projected to go towards debt service. Of the 23 cent portion, presently about 38% of proceeds go towards debt service, through time as bond issues retire that percentage will start to reduce.

Commissioner Forner asked if the Department needs to consider accounting functions reflected on WSDOT due to funding that is distributed to Transportation Improvement Board (TIB). Ms. Arnis responded by pointing out that though the Department has a great working relationship with financial staff of TIB, there is no direct responsibility with TIB and no impact on WSDOT's budget. The Department has a close working relationship due to the similar nature of the process that must be followed by both parties.

Ms. Arnis quickly explained Certificates of Participation bonds that are currently part of the Capital Facilities Program budget. She pointed out these bonds are not under general obligation and the level of debt service needed is already appropriated into the budget.

Ms. Arnis summarized the Ferry budget in relation to Ferry Fare increases and made a few closing remarks supporting requests for recognition of proposed local funds and federal funds. She noted the Department recognizes the budget plan is a process that involves ongoing risks with forecast changes, upcoming reauthorization impacts and changes in assumed interest rates with bond sales. Ms. Arnis reassured Commissioners, the Department will be in continuous contact with Legislative and OFM staff as this budget process unfolds.

Mr. Ford thanked the Commission for ongoing support of this process in the last six months.

Commissioner Stedman opened the floor, Commissioner Maher moved the Current Law Budget Resolution for 2005-07 be approved, the motion was approved unanimously.

CONSIDERATION OF I-90 TWO-WAY TRANSIT AND HOV PROJECT AND THE AMENDMENT TO THE 1976 I-90 MEMORANDUM OF AGREEMENT

Judy Giniger, Director, Public Transportation and Rail Division, gave a brief status report on the approval process. The Mercer Island City Council added an Amendment to the Memorandum of Agreement; therefore it needs to be re-approved by King County Council, Bellevue City Council and Seattle City Council before the Transportation Commission can consider approving minor adjustments to the Agreement. Ms. Giniger is hopeful to bring this issue back to the Commission for the September meeting.

Commissioner Stedman reminded Commissioners that this action will be delayed for obvious reasons until September.

AGENCY REQUEST LEGISLATION

Don Griffith, Legislative and Strategic Management Relations Director, Government Liaison Office, introduced the four pieces of proposed Agency Request Legislation that need to be both reviewed and approved by the Transportation Commission before the Department presents them for Legislative consideration for 2005. He gave Commissioners a two-page summary detailing the Departments position and describing the need for this Legislation. The Commission agreed to review each piece individually and take action with each issue separately.

1) Increased Penalties for HOV Lane Violations – Mr. Griffith explained that this Legislation involves a bill to increase the penalty by an additional \$100 for improper use of the HOV system. One half of this penalty increase will be deposited into the Education and Enforcement Account while the other half will be deposited into the Motor Vehicle Account.

Commissioner Stedman opened the floor, it was moved by Commissioner Barnes to approve the proposed bill for improper use of HOV systems, Commissioner Maher seconded it. The motion passed unanimously.

2) SR 167 HOT Lanes Pilot Project – Mr. Griffith reviewed the history and two slight changes made to this former bill passed by the House as Bill 2808. The wording of a phrase within this bill has been changed to create a permissive rather than mandatory statement in regards to establishing and operating HOT lanes. Once the Department has the authority to build such lanes, then the Department would take action to fund a specific project. Another phrase, “a reasonable portion of revenue derived from tolling would be used for transit and other high capacity activities within the corridor”, has been removed. Revenue projected is only enough to cover operating and maintenance, therefore the Department is attempting to keep false expectations from occurring. Secretary MacDonald noted that this topic is up for refinement and reconsideration, HOT lanes is a tool being used around the country and WSDOT recognizes the need to promote the idea and how it could be used in Washington State.

It was moved by Commissioner Fisher, to approve this bill for the HOT Lanes Pilot Project, Commissioner Barnes seconded it. The motion passed unanimously.

3) Specialized Equipment – Compliance with Federal Rule – Mr. Griffith briefed the Commission on two revised Federal Rules that Washington State Law needs to be in compliance with. The first revision is in regards to placement of rearview mirrors on vehicles used for interstate transportation. The second revision is in regards to vehicle combinations being used to move explosives, the Federal ruling is to move these into the category of specialized equipment, which leads this issue to be addressed by State Law and anyone carrying same must be legalized to operate in the State of Washington. WSDOT is requesting to bring State Law into compliance with Federal guidelines for the rearview mirrors. The Department is also requesting the authority to address specialized equipment changes done in Federal Statute, by adding a section to the bill to give authority through a WAC process

rather than seeking Legislative changes each time a small Federal guideline changes. Mr. Griffith noted the Department is working with the Trucking industry and State Patrol regarding this issue and both parties have indicated support for this proposal.

It was moved by Commissioner Maher, to approve these two revisions, Commissioner Forner seconded it. The motion was passed unanimously.

4) Heavy-Haul Corridors within Port Districts- Mr. Griffith explained due to hardship, the Port of Tacoma has been experiencing, it has been determined a creation of a heavy-haul corridor within a port district would dramatically improve the economy and efficiency of moving sealed ocean containers by allowing for permitted moves in excess of legal weight limits over relatively short distances. A proposed new section in Chapter 46.44 RCW would give the Department authority to analyze vehicle size and weight impacts on infrastructure, to identify state highway heavy-haul corridors within port districts, to set permitted weight limits within established parameters and manage multi-jurisdictional agreements for maintenance and repair of the identified corridors. WSDOT is seeking approval for this new section in Chapter 46.44 RCW.

It was moved by Commissioner Maher, to approve this action, Commissioner Forner seconded the motion. The motion passed unanimously.

PUBLIC AND LEGISLATOR COMMENT PERIOD

Paul Locke, shared his concerns regarding debt service, suggesting that the Department consider a pay as you go method with vendors and contractors.

ADMINISTRATOR'S REPORT

Jennifer Ziegler, Administrator, presented a Draft Folio providing information to the public about the Transportation Commission. She requested the Commissioners review this draft document and comment on any suggested modifications.

Ms. Ziegler reviewed two current Performance Measures used by the Commission. Ms. Ziegler offered a suggestion for a change in the first measure proposing a new customer survey go out for this biennium providing feedback to improve this Performance Measure. Ms. Ziegler opened discussion regarding attendance to local meetings as a Performance Measures. After looking at other small agencies performance measure strategies, Ms. Ziegler found no other alternatives to the current measure used. Therefore, Commissioner Stedman and Ms. Ziegler suggested the current measure be retained and evaluated for improvement on receiving the maximum value from Commissioners presence at local meetings. Improvement suggestions were evaluating types of meetings being attended, participation within the meetings and how this measure is reported. Commissioner Stedman suggested transportation related presentations by Commissioners at meetings could add a greater impact to public involvement, rather than simply attending meetings. Ms. Ziegler handed out a draft list of

potential meetings. Commissioner Stedman suggested he and Ms. Ziegler create guidelines to help bring together individual opinions of each Commissioner regarding these issues. Ms. Ziegler presented the 2005-07 Commission Budget, reflecting a small increase in Health Benefits and a small decrease in self-insurance payments. With these minimal adjustments the total budget request is \$815,000. Commissioner Forner inquired about planning a retreat within the budget, due to the success of the previous retreat. Ms. Ziegler stated that a retreat would fit into the current budget.

It was moved by Commissioner Maher, to approve the budget document, Commissioner Forner seconded it. The motion was approved unanimously.

WASHINGTON TRANSPORTATION PLAN (WTP)

Commissioner Stedman read a letter received from Governor Gary Locke commending WSDOT for their work on updating the Washington Transportation Plan (WTP). He recognized that the approach WSDOT is taking is fostering goodwill throughout the transportation community. Noting the growing elderly population and their need for transportation access, Governor Locke expressed his hope that the WTP will identify how best to meet this pressing need. Commissioner Stedman shared compliments from the Senate Transportation Committee regarding the Department's work on the WTP.

Secretary MacDonald asked Charlie Howard, Director, Strategic Planning and Programming, how successful the website has been regarding communication with the public sector with the WTP process. Mr. Howard offered to prepare a mini presentation for the next Commission meeting to share public response.

Commissioner O'Neal pointed out that though it is good to have such positive feedback it is important to realize there is a long way to go. Secretary MacDonald agreed that this is the beginning of a process. Though it is encouraging to have people excited about the WTP, the Department has created a huge expectation to fulfill. The Department is not yet at the stage of creating resolutions within the WTP, discussion stages with tough choices and questions are still to come. The WTP is beginning to reflect work within the Department, as an example, preparing the current budget has reinforced the importance of preservation investment as a key role in Financial Planning. Expectations have been expressed regarding what will happen at the October WTP meeting. Secretary MacDonald said he expects this meeting will produce an outline for the process, however key decisions will not be made.

Mr. Howard outlined the process, noting the Department has presented background information, research and feedback of communication with people involved with each of the five topics of the WTP presented. Four more topics will be presented to Commissioners and a meeting on October 19th will be a Summary of Presentations. At the October meeting, the public will have an opportunity to talk to the Commission about topics of the WTP and how they play out in their communities.

HEALTH AND THE ENVIRONMENT- WTP

Charlie Howard outlined complex issues related to how transportation interacts with the environment including: human health, natural eco systems, species protection, land use concerns and climate change. The Department's approach is to align transportation goals with goals for the environment recognizing citizen's desire for a protected environment. Though the Department has indicated Safety as the primary issue for human health, there are other areas important to human health: air quality, active living, water quality, protecting and connecting habitat and other issues related to maintenance, noise and sprawl. Mr. Howard reviewed where these issues show up within WSDOT Programs individually.

Air Quality

US Environmental Protection Agency (EPA) has established human health standards to regulate six pollutants. Transportation causes 55% of those pollutants being regulated and there is growing concern with unregulated pollutants such as diesel exhaust and benzene. WSDOT evaluates proposed transportation projects to assure that emissions of regulated air pollutants will not exceed local and regional human health standards. Air quality control has improved with the annual amount of regulated pollutants lowering, however there are still growing concerns with diesel exhaust and inhalable soot. The WSF has taken action to reduce diesel exhaust by switching to low sulfur diesel and cutting fuel consumption. Another concern is Greenhouse Gas Emissions, Governor Locke has been working with the governors of California and Oregon to propose strategies to reduce emissions. The two ways to reduce transportations carbon dioxide emissions is by improving vehicle technology and reduce driving.

Healthy Communities

Studies conducted nationally show rising obesity in both children and adults is affected by transportation. Reports have shown that walking trips increase in communities when grid patterns are used, with more sidewalks, intersections and blocks; and lower speed limits. The Department is attempting to improve healthy living by creating programs that include more convenient and safer walking and cycling paths. Safe Routes to Schools and Active Community Environments are state funded programs WSDOT takes an active role in providing and promoting physical activity around the state.

Water Quality-Stormwater Runoff

The Department's goal is doing the right thing at a reasonable cost. Stormwater runoff from 'impervious surfaces' creates problems for streams, water bodies and wetlands. Two components challenging the system are quality and quantity. WSDOT uses Best Management Practices (BMPs) to control stormwater runoff. The BMPs for water quality are simple and inexpensive in rural areas because projects include use of natural resources, however, urban areas require a structure such as a vault to aid in filtering pollutants, thus becoming elaborate and expensive projects. Stormwater runoff issues are important, as it can cause serious damage to habitat, property and transportation infrastructures. BMPs regarding quantity of stormwater control are also either simple and inexpensive or elaborate

and expensive, the questions considered for controlling quantity are how much, when and where to control stormwaters, while providing the highest benefit with the funding available.

Commissioner Forner inquired about new standards for stormwater runoff that could add to the Department's responsibility. Megan White, Director of Environmental Services, explained how the Department of Ecology is the key regulatory agency. Together with Department of Ecology, WSDOT is taking steps to ensure stormwater investments do more and cost less. Together the Departments have revised the Highway Runoff Manual, began working on a better approach to managing stormwater within a watershed, and are currently revising stormwater permits.

Protecting and Connecting Habitat

Mr. Howard reviewed information regarding wildlife and its significant value to citizens of Washington State, noting scientists have recognized transportation contributes to a direct loss of habitat from collisions with wildlife and fish barriers. Recently the Department has begun to better understand how roads affect movement of wildlife and the quality of habitat. The Department considers fish and wildlife in the planning of projects, trying to better identify where the impacts are and how to reduce the effects on habitat. WSDOT is identifying fish passage barriers and restoring connectivity in blocked habitats. In cooperation with the Department of Fish and Wildlife, WSDOT is conducting an inventory of fish barrier locations to better prioritize corrections with the most gain. The Department is also adding corrective measures to routine maintenance of culverts and construction projects. Mr. Howard discussed safety issues that are a concern in regards to animal-vehicle collisions and deer removal on highways. Fatality statistics for 2004 are higher than average involving these collisions. One method WSDOT is using to reduce animal collisions is by placing collars on wildlife that are linked by sensors to road signs that alert drivers of wildlife presence. The Department is also attempting to improve and provide habitat connections for wildlife by changing construction projects to create better fish passages and deer passages that better connect wildlife to their habitat. Commissioner Forner asked if there was a method being considered that provides an inexpensive 'quick fix' for higher risk areas such as I-90, similar to the rumble strip technique used for safety. Ms. White noted that the Department is looking at this challenge to find the most cost effective solution. The Department is hopeful to see better data on habitats statewide and how transportation directly relates to issues involved, allowing for better integration of habitat planning with transportation planning. Mr. Howard noted the newly appointed "Governor's Biodiversity Council" might be a forum to help build a statewide plan.

Protecting Wetlands, Estuaries, and Near Shore Marine Habitats

WSDOT attempts to avoid wetland impacts and compensates for unavoidable impacts by providing mitigation sites that are preserved as a wetland. WSDOT has 675 acres designated as preserved wetland mitigation sites. The Department is pioneering the use of watershed-based tools to improve environmental mitigation. This process has been successful in providing better investment in watershed maintenance within the watershed rather than at the roadside. On another note, eelgrass planting has become a successful tool for the Department to help recreate habitat lost on ferry shorelines.

Other Health and Environment Issues

Mr. Howard noted WSDOT manages 75,000 acres of roadside to meet operational needs and safety, environmental and aesthetic objectives. The Department implements Regional Integrated Vegetation Management (IVM) plans, which provide guidance using the right tool for the right plant at the right time. Mr. Howard explained other environmental issues associated with operations and maintenance such as hazardous material clean up, Regional Road Maintenance Endangered Species Act (ESA) Program Guidelines, and the Environmental Management System.

Mr. Howard explained that reducing highway noise depends on many traffic factors and is implemented by three common strategies; motor vehicle control, land use control and highway planning and design. WSDOT considers noise reduction options for outdoor environments and interior noise in public buildings. Of the 70 locations on the priority list for noise control, many of those projects are waiting for funding.

Mr. Howard introduced the Growth Management Act that lays out an anti-sprawl goal for the state. This goal is to reduce sprawl. He discussed how transportation expansion projects affect sprawl and the importance of Growth Management.

As the WTP moves forward, the WTP Update will explore opportunities to align citizens' goals for healthy communities and the environment with transportation. This goal will include meeting environmental priorities, defining an appropriate transportation role in active living and recommending a systems approach for addressing cumulative effects of transportation projects and induced growth issues.

PUBLIC AND LEGISLATURE COMMENT PERIOD

Margaret Kitchell, VP Development of Feet First, stated the focus of her presentation is to review concerns about affects on health due to traffic pollution and collisions. The most common diseases and health concerns in North America are related to traffic, such as cancer, lung disease, years of life lost, pedestrian and bicycle deaths/injuries, nutrition and sedentary lifestyles. She noted the Department of Health's Nutrition and Physical Activity Plan calls for changes in Transportation Policy and investments promoting walking and bicycling. Health Care costs are rising and the desire for preventative approaches for health standards is growing. She expressed Feet First's hope that WSDOT will make health a priority.

Rob Johnson, Transportation Choices Coalition Policy Director, spoke about Transportation Choices Coalition's goal to increase opportunities for all modes of transportation, looking at critical issues and attempting to shift the paradigm. He mentioned that perhaps the focus should be increasing transportation options rather than increasing construction capacity, using the Commute Trip Reduction program as an example of increasing choices with a positive benefit. He also mentioned the study done by King County for Land Use, Transportation, Air Quality, and Health (LUTAQH), noting the mission is to implement

community design principles and transportation policies that improve accessibility, air quality, and public health. Mr. Johnson stated that transportation choices and housing options are lacking funding.

Commissioner Stedman pointed out that sometimes choices are available and lose funding as a result of lack of use, therefore choices can also be determined by the ability of a provider to financially provide services in a community. Secretary MacDonald noted that inefficient transportation systems contribute to other issues that are critical to health and the environment and that it is important to consider transportation efficiency while attempting to meet goals and demand for all transportation needs.

TRANSPORTATION SYSTEM EFFICIENCY – WTP

The goal is to get the greatest utility from the existing transportation system – it's operations.

Charlie Howard, Director of Strategic Planning and Programming, began by explaining what prevents the Department from reaching this goal, such as congestion, roadway design, traffic mix, weather, construction efforts, uncoordinated signals, unplanned events and driver behavior. Mr. Howard explained that operation expenditures have high dollar figures within the budget, with a majority going towards Ferry and Transit Operations. Attempting to maximize throughput, measures currently used to maintain flow and manage access on a daily basis are HOV lanes, signal synchronization, traveler information systems, ramp metering and incident response teams. He mentioned unplanned events required better communication, especially when alternate routes are needed. He explained the base level of maintenance needed to keep roads operating and as the system becomes more congested, more sophisticated strategies are needed to maintain vehicle throughput. Intelligent Transportation Systems (ITS) at Transportation Management Centers are used in some cases and can increase throughput of traffic. Ramp metering, incident response, border crossing technology, commercial vehicle information systems network, traveler information and coordinated signal technology are measures used in some places. The future vision of ITS includes more technology advances such as automated maintenance, real-time fleet management, arterial signal systems of ramp metering, system-wide adaptive signal system, automated traveler information, Web and phone traveler information, automated incident detection and transportation management centers statewide. Mr. Howard presented statistics supporting the effectiveness of some of these systems on our transportation system.

He summarized that System Operations is about aligning transportation system performance with customer expectations and getting the highest performance. On roadways throughput is the key to efficiency and information technology will allow the next generation of management techniques to advance the system. The focus has been on system efficiency measures – the next step is on point-specific applications such as truck performance on specific on-ramps. System pricing is emerging as a primary option to effectively maintain

flow, matching roadway capacity to traffic demands. The Department's operational approaches should be viewed as part of a continuum and an integral part of our investment program: a commitment to maintain and operate the system; management techniques to maximize use of the system; and capital investment to expand the system where needed.

Public Transportation – Transit Operating Systems

Mr. Howard began a discussion regarding transportation efficiencies of the 26 Public Transit Operations within Washington State. Transit system operating efficiencies include service designs for community needs, frequency of service and resources, maximizing capacity by increasing trips per hour and coordinating demand responsive trips. Inefficiencies are measured by reduction in running times, delays, reduction in ridership, and higher cost per unit expanded. The Department tracks statistics for both urban and rural transit operations in Washington State to evaluate efficiency. Mr. Howard reviewed approaches used to improve the Transit Operations. The Transit System by their basic design affects efficiency. A transfer based design system is used in larger urban areas to carry larger numbers of passengers, suburban communities benefit from direct point to point design from park and rides, and coordinating demand response and route deviated services for specific clients. The transit systems can also be improved by enhancing communications with ITS technologies. Examples of ITS technologies include automated vehicle locator, transit transponder use, interagency coordination, transit signal prioritization, and trip planner help create a more efficient system.

Commissioner Stedman asked about the status of the Smart Card idea that has been in planning stages for many years. Mr. Howard reported that the program may be ready to implement a pilot project in the next year.

One important feature supporting an efficient public transportation system, especially related to transit, is HOV Lanes. HOV lanes improve travel time for commuters in peak times as well as the possibility to provide direct access and queue jumping for transit. HOV lanes can move more cars in peak hours than general-purpose lanes combined. Implementing HOT lanes is the new efficiency tool that could be used to maximize use of HOV lanes in non-peak times.

Mr. Howard reviewed other approaches enhancing efficient transportation systems including Park and Ride Lots, which are an important link to transit efficiency, by reducing the number of transit stops and increasing ridership and Vanpools, which are increasing in ridership in the Puget Sound. Mr. Howard noted The Commute Trip Reduction program has made a positive impact; Bus ridership is up to 51% in 2003 from 41% in 1993 and Single Occupancy Vehicles are down from 36% in 1993 to 26% in 2003. Compared to the US average for percentage of employees driving alone to work, Washington State's average lowered while the US average has risen a few percent.

Conserving travel with high occupancy vehicles contributes to an efficient transportation system. Improving efficiencies requires a trade off between investments with local transit services and providing fast reliable travel times is an important key to maintaining and attracting transit riders.

Judy Giniger, reviewed the need to address certain issues related to transit system efficiencies and operations. These needs include how to maximize the full potential of operational strategies to improve the entire system efficiency and integrate strategies with expansion projects; defining the State's role in transit operational projects, supporting development of park and ride lots and supporting transit connections between jurisdictional boundaries within Regions; and defining the State's role for including TDM strategies in highway project planning and construction.

Mike Harbour, Washington Transit Association, spoke about the need for WSDOT to rejoin the partnership in sharing the responsibility of park and ride lots. In order to address the efficiency issues effectively in regards to park and ride lots, funding must be restored along with the partnership between the locals, the state and the federal arenas. He concluded that the roles cannot be separated; it is a local, state and federal responsibility to provide these services to the public.

Public Transportation – Ferry Systems

Mr. Howard explained that the Ferry Systems portion of the WTP is not yet complete; he presented a brief overview of efficiency standards and policy recognized by the Department to date. Four efficiency issues considered are congestion, increasing capacity, peak and off-peak travel and intermodal connectors. Ferry wait times are a measure of congestion, statistics presented show some ferry wait times have improved since 2000, however ferry wait times require more evaluation. One efficiency policy that has been put into place is a Zero Boat Wait for buses, carpools and vanpools, walk on passengers and reservation vehicles to Anacortes-Sidney, BC or Commercial vehicles to San Juan Islands. Data has been collected looking at on-time performance and trip reliability in relation to missed sailings. He explained how these issues are being evaluated to see how the system could change to create a more reliable system.

Mr. Howard restated that the Department is looking at how to maximize the potential of operating strategies. Looking at these issues from an operational perspective has generated good ideas and the Department will continue to look at these issues of Public Transportation considering placement of strategies, management strategies, pricing and definition of the states role in these issues.

The Commission meeting adjourned at 5:00 p.m., on August 19, 2004.

WASHINGTON STATE TRANSPORTATION COMMISSION

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